

May 9, 2013

**BY ELECTRONIC FILING VIA DMS**

Jocelyn Boyd, Chief Clerk  
South Carolina Public Service Commission  
Saluda Building  
101 Executive Center Drive  
Columbia, SC 29210

**Re: Notification of Zayo Group, LLC and USCarrier Telecom, LLC  
Regarding Certain *Pro Forma* Intra-Company Transactions  
NOT A DOCKET MATTER**

Dear Ms. Boyd:

Zayo Group, LLC (“Zayo”) and USCarrier Telecom, LLC (“USCarrier”) (together, the “Parties”) (Zayo, USCarrier and Zayo’s other subsidiaries collectively, the “Company”), by their undersigned counsel, hereby notify the Commission of the roll-up of USCarrier into Zayo through a series of *pro forma* mergers, with Zayo as the surviving entity (the “*Pro Forma* Transaction”). The *Pro Forma* Transaction is part of a series of intra-company transactions undertaken to simplify the corporate structure of Zayo.<sup>1</sup> Subject to receipt of applicable regulatory approvals, the Parties propose to complete the *Pro Forma* Transaction by June 1, 2013.

In support, the Parties provide the following information:

**Description of the Parties**

Zayo is a Delaware limited liability company with principal offices at 400 Centennial Parkway, Suite 200, Louisville, Colorado 80027. USCarrier is a Georgia limited liability company and wholly owned indirect subsidiary of Zayo. Zayo is a wholly-owned direct subsidiary of Zayo Group Holdings, Inc. (“Holdings”), a Delaware corporation, which in turn is a wholly owned direct subsidiary of Communications Infrastructure Investments, LLC (“CII”), a Delaware limited liability company. CII has no majority owner.

The Company is a provider of bandwidth infrastructure and network neutral colocation and interconnection services over regional and metropolitan fiber networks. These services enable customers to manage, operate, and scale their telecommunications and data networks. Such customers consist primarily of wireless service providers, national and regional

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<sup>1</sup> The Parties recently notified the Commission of certain other *pro forma* intra-company transactions that were completed on March 12, 2013. See *Notification of Zayo Group, LLC and USCarrier Telecom, LLC Regarding Certain Pro Forma Intra-Company Transactions*, Non-Docket Matter (filed January 24, 2013) (the “January Notification”). The *Pro Forma* Transaction that is the subject of this letter is in addition to those described in the *January Notification*.

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telecommunications carriers and other communications service providers, media and content companies, schools, hospitals, governments, banks and other bandwidth-intensive enterprises.

In South Carolina, Zayo is authorized to provide resold and facilities-based intrastate interexchange services (including exchange access) and local exchange services pursuant to Order No. 2013-111 issued in Docket No. 2012-414-C. USCarrier is authorized to provide interexchange service pursuant to Order No. 2001-1053 issued in Docket No. 2001-256-C. Zayo and USCarrier are also authorized by the FCC to provide domestic and/or international telecommunications services. Additional information concerning Zayo's legal, technical, managerial and financial qualifications has been submitted to the Commission with various prior filings with respect to Zayo's certification and various transactions and is therefore already a matter of public record. Applicants request that the Commission take official notice of these existing descriptions of Zayo's qualifications and incorporate them by reference herein. In support of its financial qualifications, Zayo's consolidated financial statements from its most recent SEC Form 10-K are available at

<http://www.zayo.com/sites/default/files/Annual%20Report%20FY%202012.PDF>.

#### **Designated Contacts**

Questions, correspondence or other communications concerning this Notice should be directed to the Parties' counsel of record:

#### **For the Parties:**

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### **Description of the *Pro Forma* Intra-Company Transactions**

In order to simplify its corporate structure, Zayo is undertaking the roll-up of USCarrier into Zayo through a series of *pro forma* mergers, with Zayo as the surviving entity (i.e. its merging subsidiaries will cease to exist as separate corporate entities). Diagrams illustrating the organizational structure of the Applicants before and after the *Pro Forma* Transaction are provided in Exhibit A.

The proposed *Pro Forma* Transaction will not result in any changes to the services received by customers, including rates, terms and conditions of service. In fact, the *Pro Forma* Transaction will be virtually seamless to the Company's customers. Additionally, each of the affected customers of USCarrier received notice of the *Pro Forma* Transaction that affects their service. A sample of the notice that was sent to customers is provided as Exhibit B.

As noted above, upon completion of the proposed *Pro Forma* Transaction, USCarrier will no longer individually provide any telecommunications services in South Carolina since USCarrier will be merged into Zayo and Zayo will be the service provider of record. Applicants therefore request that the Commission cancel the Certificates of USCarrier effective upon receipt of notice from Applicants that the *Pro Forma* Transaction is complete.

### **Public Interest Considerations**

The Parties submit that the *Pro Forma* Transaction described herein is in the public interest. The *Pro Forma* Transaction will further simplify the Company's existing corporate structure and thereby reduce its reporting and accounting burdens and provide other operational efficiencies. As a result of the efficiencies and focus, the Company will become a stronger competitor to the ultimate benefit of consumers.

Furthermore, the *Pro Forma* Transaction will be virtually transparent to customers and will not result in any change in their services. Since all affected customers are already familiar with and are receiving invoices including the "Zayo" brand, the *Pro Forma* Transaction will not result in customer confusion. Moreover, the rates, terms and conditions of their services will not change as a result of these purely intra-company transactions.

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Finally, Zayo and USCarrier have the same corporate officers. Therefore, there will be no change in the managerial qualifications of the telecommunications provider serving the customers affected by the *Pro Forma* Transaction, nor will there be a change in the management policies of the Company as a result of the *Pro Forma* Transaction.

Should you have any questions, please do not hesitate to contact me.

Respectfully submitted,

s/ John J. Pringle, Jr.  
John J. Pringle, Jr.

Cc: Courtney Edwards, Esq. (via electronic mail service)  
Brett P. Ferencak, Esq. (via electronic mail service)  
Jill Sandford, Esq. (via electronic mail service)

## **LIST OF EXHIBITS**

- |           |                                                                                                                              |
|-----------|------------------------------------------------------------------------------------------------------------------------------|
| Exhibit A | Diagrams of the Pre- and Post- <i>Pro Forma</i> Intra-Company Transaction<br>Corporate Organization Structure of the Parties |
| Exhibit B | Sample Customer Notice                                                                                                       |

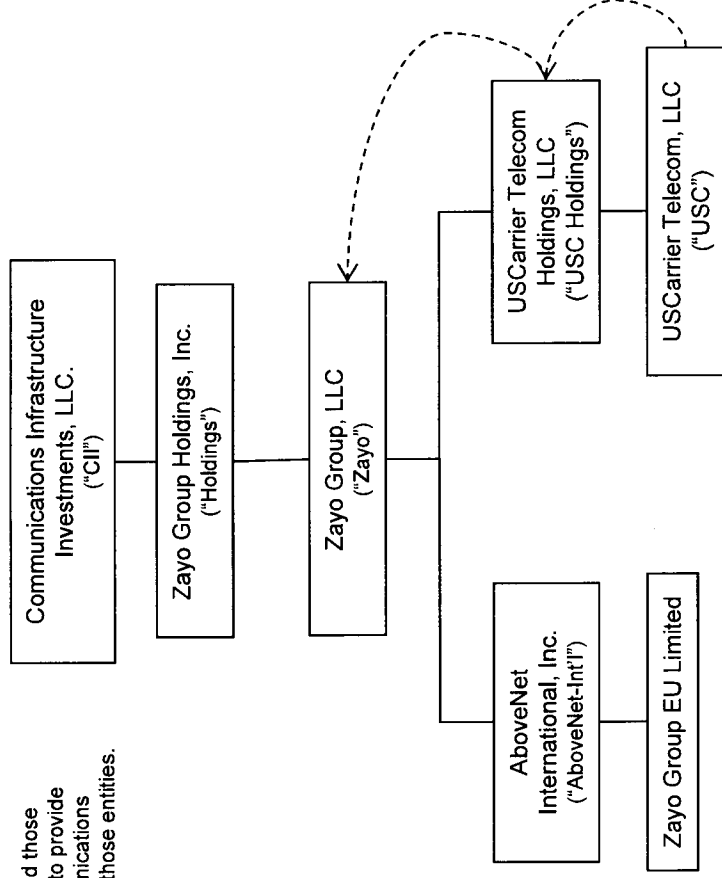
## **EXHIBIT A**

Diagrams of the Pre- and Post-*Pro Forma* Transaction  
Corporate Organization Structure of the Parties

# Corporate Organizational Structure of the Company

## Before the *Pro Forma* Transaction

\* The entities listed herein only include Zayo and those subsidiaries of Zayo that (1) hold authorization to provide intrastate, interstate or international telecommunications services or (2) are in the chain of ownership of those entities.

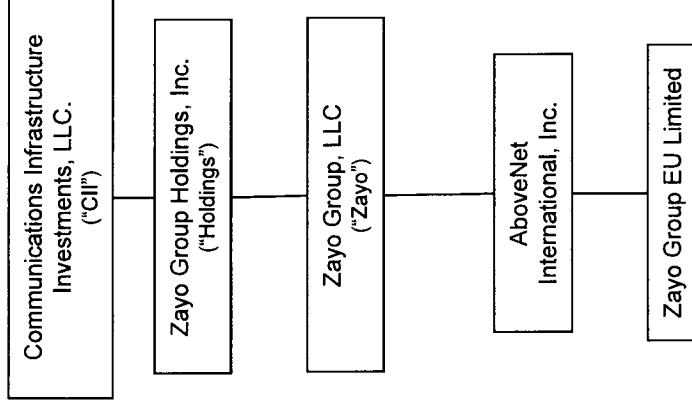


Unless otherwise indicated all ownership percentages are 100%.

# Corporate Organizational Structure of the Company

## After the Pro Forma Transaction

\* The entities listed herein only include Zayo and those subsidiaries of Zayo that (1) hold authorization to provide intrastate, interstate or international telecommunications services or (2) are in the chain of ownership of those entities.



Unless otherwise indicated all ownership percentages are 100%.



## **EXHIBIT B**

### **Sample Customer Notice**

The applicable affected customers received notice of the *Pro Forma* Transaction through a bill notation. The notice was provided to customers in their bill issued in February, 2013, at least 30 days prior to the *Pro Forma* Transaction. The text of the bill notation was substantially similar to the following:

On or about May 1, 2013, Zayo Group, LLC will undertake an internal corporate consolidation. Thus, the Zayo corporate entity that will provide your telecommunications services will be Zayo Group, LLC. Your services and the associated pricing and terms and conditions of service will not change as a result of this internal consolidation. There is no charge associated with this change. You will receive a bill from Zayo and we will continue to resolve any issues you may have with your account or service using the same customer service number: 1-866-236-2824.

We recognize that, subject to the terms of your contract, you always have a choice in providers and believe that this internal consolidation will enhance our ability to serve you. Zayo looks forward to continuing to provide you with the superior service you are accustomed to receiving and to the opportunity to provide you additional services.